



**AB x1 14 Request for Information
Question and Answers
as of 4/23/2012**

1. Question: The Request for Information (RFI) includes both \$25 million and \$15 million as the possible maximum size of the alternative financial assistance program. Please clarify.

Answer: AB x1 14 (2011) and SB 77 (2010), together, provide up to \$25 million for CAEATFA to implement both authorizing statutes. This financial assistance will go towards: (1) a loan loss reserve program currently under development with an anticipated launch date of May 2012; (2) a possible PACE bond reserve program currently under consideration (SB 77 PACE Bond Reserve Program); and (3) to any alternative financial assistance programs that CAEATFA may choose to develop in response to this RFI. While the total amount of funding is up to \$25 million under statute, given that there are multiple programs under development and consideration, CAEATFA suggests that proposers anticipate up to \$15 million may be available for any proposed alternative financial assistance programs in response to this RFI. The ultimate amount available for alternative financial assistance programs will depend upon the eventual size of the loan loss reserve program, the PACE bond reserve program, and the desirability and feasibility of proposed models CAEATFA receives as a result of this RFI.

2. Question: Will the regulations that the CAEATFA Board adopted April 17, 2012 for the loan loss reserve program under AB x1 14 apply to any new financing program that this RFI seeks to identify?

Answer: No, the recently approved regulations apply only to the loan loss reserve program under the Clean Energy Upgrade Program.

The AB x1 14 statute establishes the authority and constraints that will govern any proposals in response to the RFI. If the Authority determines it will move forward with developing an alternative program structure, CAEATFA would either promulgate new regulations governing the new program, or issue an RFP to identify a party (or parties) to contract with.

3. Question: Will the alternative financial assistance models solicited under this RFI be considered part of the Clean Energy Upgrade Program or another program?

Answer: CAEATFA has issued the RFI to solicit ideas for alternative financial assistance programs that would be a part of the broader Clean Energy Upgrade Program. If CAEATFA decides to establish an additional program(s) it will be governed by AB x1 14. The Authority anticipates that a number of programs could potentially fall under the broader umbrella of the Clean Energy Upgrade Program.

4. Question: Is AB x1 14 the only document that provides restrictions that any alternative program must meet?

Answer: Any alternative financing program must meet the requirements of the AB x1 14 statute, as well as any other applicable California or federal law. If CAEATFA chooses to move forward with establishing an alternative financing program, CAEATFA will need to further define the potential program's structure and administer the program through new regulation or the RFP/contract process.

5. Question: In addition to describing the role third parties would play under an alternative financing program, should the role CAEATFA would play under an alternative financing program also be described?

Answer: Yes, the roles envisioned for both CAEATFA and third parties under the proposed alternative financing program should be described. Descriptions of the involvement of third parties should be answered under questions 2, 6, and 9, as applicable. Descriptions of CAEATFA's role under the proposed financial assistance program should be answered under questions 5, 12, 14, 15, 16, and 17, as applicable.

6. Question: May the alternative programs cover residential and non-residential programs?

Answer: Yes, alternative financial assistance programs may cover both residential and non-residential programs. Please keep in mind that, as required by the AB x1 14 statute, the underlying loans must be for eligible improvements for residential projects of three units or fewer or commercial projects that cost less than \$25,000 in total. Therefore, proposals should be limited to these eligible properties.

7. Question: What are the limits of how the CAEATFA funding may be used? May AB x1 14 funding be used for direct rebates to property owners, direct rebates to contractors, subsidy costs of an initial project or building assessments, and/or for lender interest rate “buydown” through reduction of the loan principal?

Answer: Any proposals that comply with the statute may be proposed. The authorizing statute of AB x1 14 provides the authority and constraints under the program. Any proposed financial assistance model must support a loan to a property owner by a lender and otherwise comply with the requirements of AB x1 14. Responders should read the AB x1 14 statute prior to submitting a proposal and should consider the types of financial assistance CAEATFA may provide as defined by statute.